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## CENTRAL INTELLIGENCE AGENCY

## INFORMATION REPORT

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COUNTRY Hungary

REPORT

SUBJECT Ganz Railroad Car and Machine Shop, Budapest

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This is UNEVALUATED Information

THE SOURCE EVALUATIONS IN THIS REPORT  
THE APPRAISAL OF CONTENT IS TEN  
(FOR KEY SEE REVERSE)

1. General

The Ganz Railroad Car and Machine factory (Ganz Waggon és Gépgyár) is situated at 42 Simor utca, Budapest. During the war the factory suffered from very considerable bomb damage which made the construction of new buildings inevitable. The undertaking was considered one of the most important in Hungary and so the factory has been constantly developed since the end of World War II. It is planned to detach the manufacturing of engines into an independent plant.

2. Production

The principal items produced by the Ganz Railroad Car and Machine Factory are:

- a. Diesel electric rail cars (for narrow, standard and broad gauge).
- b. Static diesel engines
- c. Diesel driven mine locomotives.
- d. Passenger railroad carriages.
- e. Open and closed railroad freight cars.
- f. Tank cars (the tanks are produced at the Ganz Shipyards).
- g. Steam and gas turbines
- h. Large ball mills.

25 YEAR RE-REVIEW

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- i. Roller frames.
- j. Presses for bank notes.
- k. High capacity pumps (for irrigation plants)
- l. Miscellaneous large machines (e.g. for concrete works).
- m. Steel castings up to 500 kg. (for engines, railroad carriages and other machines and for base plates for guns and mortars).
- n. Prototypes for underground engines and passenger cars.

The value of the monthly production of the factory amounts to 60-65 million forints. Some 30% of this is produced by this car works, 20% by the engine works, 30% is machinery and 20% foundry products.

### 3. Sources of Supplies

Materials are supplied to the Ganz Railroad Car and Machine Factory by almost every undertaking and industry in the country. The iron and steel are provided by the plants at Ózd and Diósgyőr and by the mills at Borsodnádásd and Lőrinc. Some of the materials such as cork and synthetic materials are obtained from abroad.

### 4. Deliveries

Ninety percent of the factory's products are exported. Industrial authorities attach a great deal of importance to the factory as a considerable proportion of its products are sent to the West (Argentina, Egypt), to the USSR and other Soviet bloc countries.

### 5. Methods of Transport

Deliveries of raw materials to the factory and the dispatch of finished products are made by rail. Only insignificant quantities are transported by road.

### 6. Production Difficulties

The factory suffers from both a shortage of raw materials and the defective quality of steels, isolating materials and paints. Faulty blueprints and incorrect work pieces have also given much trouble. Recently deliveries to the USSR have been held up by bearing metal swelling and jamming and by breakages in piston rings. Finished parts for railroad carriages frequently have to be scrapped on account of loose metal finding its way between plates and on account of unequal thickness of plates. Seventy to 80% of cylinder blocks for diesel engines have had to be scrapped during the last three years. This last defect is considered so serious that the minister himself has promised a personal reward to any technician who can eliminate the defect which appears to be connected with the porosity of the finished cylinder blocks. There are no transport problems, as such, but the testing of broad gauge cars has proved difficult as the stretches of Hungarian track do not normally allow sufficient clearance for these large vehicles and at times the track foundations are not sufficiently strong.

### 7. Machine-Tool Park

The total number of machine tools available is not known but during the past four years the machine-tool park has been greatly improved by a large number of new units received from Switzerland (MAAG) and Czechoslovakia and also a few units from the USSR and Hungary. At present the machine-tool park is a very mixed lot. Approximately 50% are old machines but their repair is well organized. The forging and pressing machines are most effected by wear and tear and are in the worst condition. The general efficiency of the machines is approximately 55 - 60%. The factory received an 8-ton electric furnace six years ago but this furnace could only start working in 1953 as the [ ] had failed to deliver certain important parts.

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8. Sources of Power

Electric current is supplied by the plant's own transformer station. At peak consumption or during power cuts, electricity is supplied by the Mavag power station adjacent to the works. The majority of the machine tools and transport inside the factory are driven by electricity. Forging and pressing are steam driven, the steam being produced by the plant itself.

9. Vulnerable Points

The most vulnerable points of the factory are:

- a. Transformer plant (No. 2, Annex B).
- b. Boiler rooms (Nos. 13 and 37, Annex B).
- c. Workshops (Nos. 27, 35, and 46, Annex B).

10. Personnel

## a. Management

1. Manager: István Nagy, [redacted]

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2. Deputy Manager: Sebestyén Bakonyi, was formerly head of the Ministry's Heavy Industry Directorate, [redacted]

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3. The majority of the staff is not Communist. Many of the engineers and other workers have worked abroad and are therefore not fully trusted.

## b. Labor

The factory employs a staff of approximately 6,000. At present the technical standard of both and skilled workers and the clerical staff is low. The world famous skilled workers and technicians of Ganz have been dispersed all over the country, being either officially transferred or dismissed on some pretext or other. There are many former Ganz workers on the staff of the Ministry of Metallurgy and Machine Industries and in the various planning bodies.

Annexes: (A) Ganz Railroad Car and Machine factory (1 page).

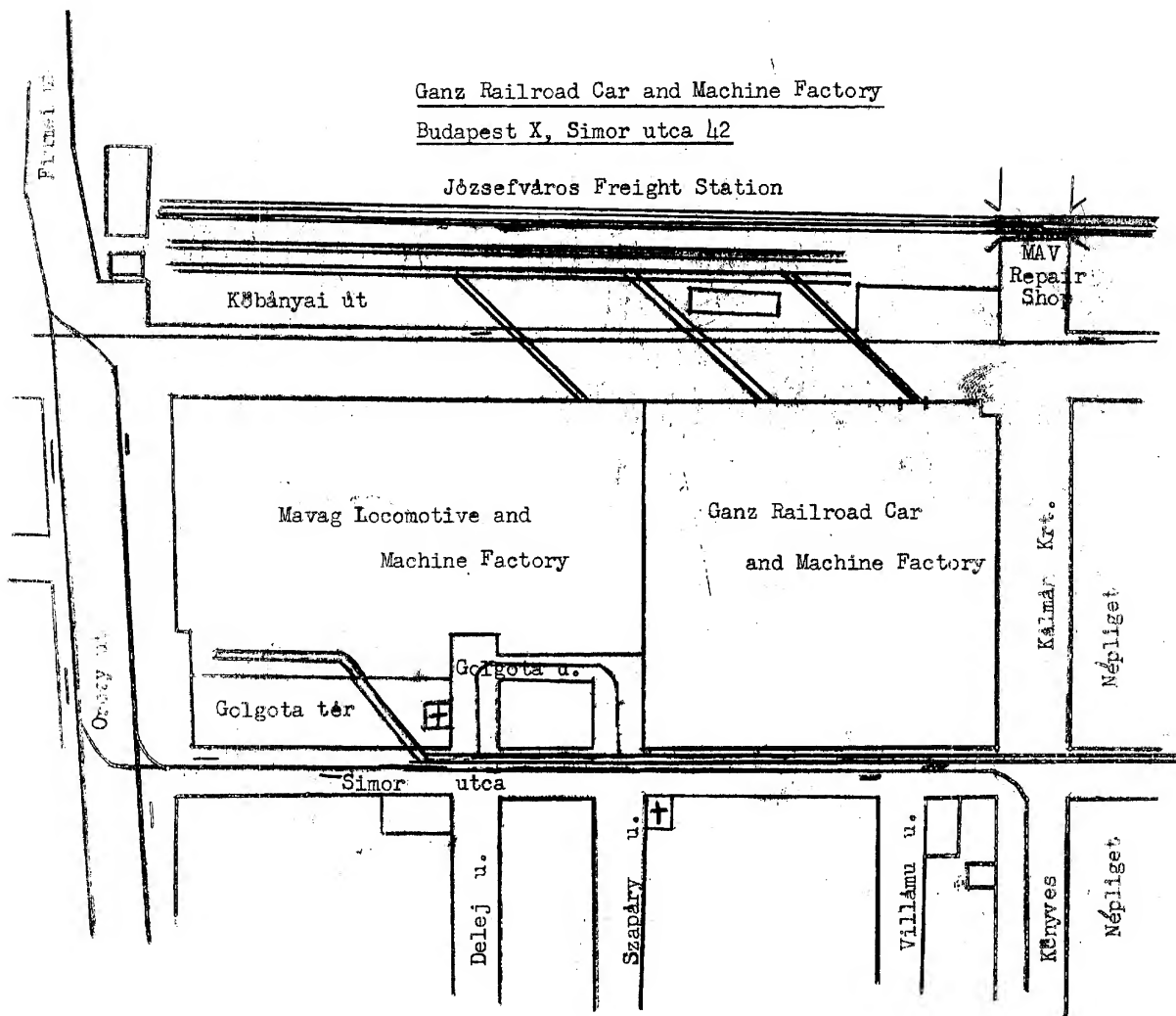
(B) Layout of the factory (2 pages, including the legend).

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Annex A:



Key:

----- Railroad track or "industrial" (narrow gauge) track.

----- Streetcar line.

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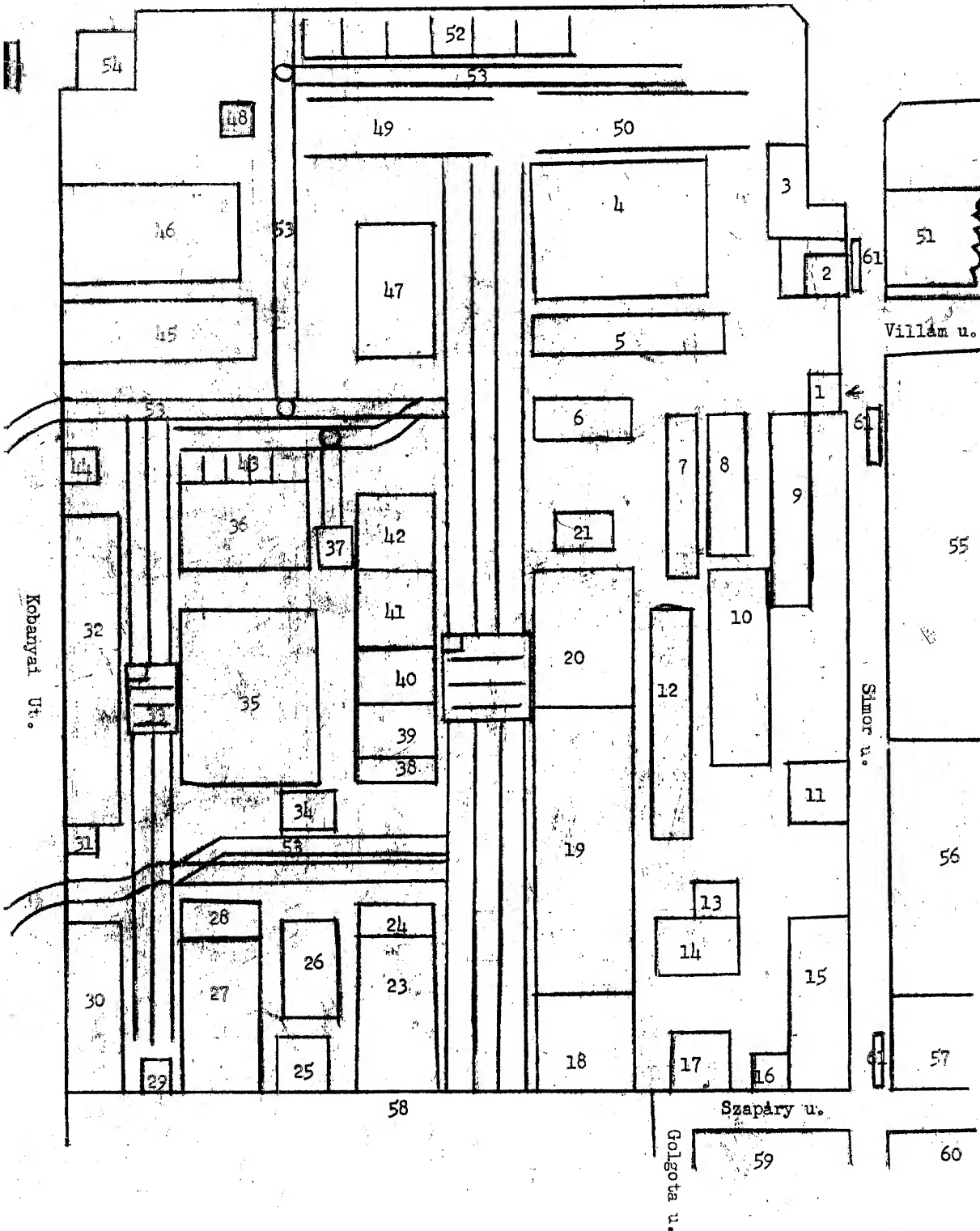
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Annex B:

Layout of the Ganz Railroad Car Factory

Népliget

Könyves Kálmán körút



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Legend to Annex B, depicting the layout of the Ganz Railroad Car and Machine Factory, Budapest:

1. Main entrance (workmen and motor vehicles).
2. Municipal transformer station.
3. Central office building (completed in 1953, 11 stories, large ARP shelter below).
4. Rail cars assembly hall.
5. Rail cars workshops management.
6. Offices (bookkeeping).
7. Rail car construction, offices.
8. Former meter factory, now office on the second floor, tool shop on the first floor, pressing shop in the basement.
9. Bicycle room, parking place.
10. Iron foundry.
11. Industrial technical school, workers' school.
12. Offices, photostats, foundry samples store.
13. Boiler room.
14. Trades Union office, offices.
15. Food depot, library, concert hall.
16. Garage.
17. Party office.
18. Refrigerator shop.
19. Freight car assembly plant.
20. Mine locomotive assembly plant.
21. Central offices, technical quality control (MEO).
22. Large transporting trolley.
23. Passenger car assembly plant.
24. Machine-tool repair shop.
25. Upholsterers' and leatherware-makers' shop.
26. Carpenters' workshop.
27. Diesel engine finishing shop.
28. Diesel engine testing hall.
29. Packing and transport depot.
30. Diesel engine assembly hall (completed in 1952.)
31. No. 3 entrance, for transports of material only.
32. Metal finishing shop.
33. Small transporting trolley.
34. Central steel depot for "profile" materials.
35. Large engine finishing and assembly plant (called "Nagybeton").
36. Steel foundry.
37. Central boiler room.
38. Paint shop.
39. Railroad car locksmiths' workshop.
40. Railroad car finishing shop.
41. Undercarriage workshop.
42. Blacksmiths' workshop (completed in 1953).
43. Foundry material storeroom (sand, coke, etc.).
44. No. 2 entrance, workers' entrance and transports of materials.
45. Offices on the second floor, carpenters' (mould makers') workshop on the first floor.
46. Cogwheel finishing workshop.
47. Car assembly plant (completed in 1953).
48. Scrap iron depot and breaking up plant.
49. Plate depot.
50. Wood depot.
51. Apprentices' workshop (MTH school, not belonging to the works).
52. Coal depot.
53. Industrial (narrow gauge) rail tracks.
54. Refreshment room and grocery shop (not belonging to the works).
55. Residential area.
56. General school.
57. Church.
58. Mavag "profile" irons and plates depot.
59. Mavag settlement.
60. Living quarters.
61. Streetcar stops.

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